

# CHANGES WITHOUT REGULATORY EFFECT UNDER CALIFORNIA CODE OF REGULATIONS, TITLE 1, SECTION 100

## Statement of Explanation

### Title 18. Public Revenues Rule 263, *Roll Corrections*

#### A. Factual Basis

Chapter 2 (commencing with section 101) of division 1 of title 18 of the California Code of Regulations contains property tax rules the State Board of Equalization (BOE) has adopted in accordance with Government Code section 15606 to govern county assessors when assessing property under division 1, *Property Taxation*, (commencing with section 50) of the Revenue and Taxation Code (RTC). The BOE hereby proposes to reformat subdivision (a) of California Code of Regulations, title 18, section (Rule) 263, *Roll Corrections*, change subdivision (b) of Rule 263 to incorporate the amendments made to RTC section 4831 by Senate Bill No. (SB) 947 (Stats. 2011, ch. 351.), and replace “Section” with “section” in subdivision (g) of Rule 263 under California Code of Regulations, title 1, section (Rule) 100.

The second sentence in subdivision (a) of Rule 263 is formatted as subdivision (a)(1), even though the extra formatting is unnecessary because subdivision (a) only contains two sentences and there is no subdivision (a)(2). Accordingly, the BOE now proposes to reformat subdivision (a), under Rule 100, so that there is no longer a separate subdivision (a)(1).

RTC section 4831 prescribes the periods in which county assessors are authorized to correct errors and omissions on county assessment rolls and Rule 263, subdivision (b), incorporates the provisions of RTC section 4831, subdivision (c), prescribing the period in which an assessor is authorized to correct an “error or omission involving the exercise of assessor value judgment that arises solely from a failure to reflect a decline in the taxable value” of real property. Section 18 of SB 947 amended section 4831, subdivision (c), so that its provisions apply to errors and omissions involving “floating homes subject to taxation pursuant to Section 229 [of the RTC], and manufactured homes subject to taxation under Part 13 (commencing with section 5800)” of the RTC, in addition to errors and omissions regarding real property. Accordingly, the BOE proposes to change subdivision (b) of Rule 263, under Rule 100, to incorporate the amendments made to RTC section 4831 by SB 947.

Furthermore, subdivisions (b), (c), and (d) of Rule 263 use the term “section” to refer to sections of the RTC; however, subdivision (g) of Rule 263 uses the term “Section” to refer to RTC section 441. Accordingly, the BOE proposes to replace “Section” with “section” in Rule 263, subdivision (g), under Rule 100 so that the rule consistently uses the term “section” to refer to RTC sections.

## **B. Proposed Changes**

Reformat Rule 263, subdivision (a), incorporate the amendments made to RTC section 4831 by SB 947 into Rule 263, subdivision (b), and replace “Section” with “section” in Rule 263, subdivision (g), under Rule 100.

The foregoing changes are appropriate for processing under Rule 100 because they are changes without regulatory effect and do not materially alter any requirement, right, responsibility, condition, prescription, or other regulatory element of any California Code of Regulations provision. Furthermore, the changes are necessary to update the format of Rule 263, subdivision (a), make the rule consistent with the amendments made to RTC section 4831 by SB 947, and ensure that the rule uses consistent terminology to refer to RTC sections.

## PROPOSED CHANGES

Change Rule 263 (Roll Corrections) to read as follows:

### **Property Tax Rule 263. Roll Corrections.**

(a) Any error or omission not involving the exercise of value judgment which results in an incorrect entry or entries on the roll may be corrected after the roll is delivered to the auditor, provided that the correction is made within four years after the making of the assessment that is being corrected.

~~(4)~~ If an error or omission not involving the exercise of value judgment is discovered as the result of an audit of a taxpayer's books and records, that error or omission may be corrected at any time prior to the expiration of six months after the completion of the audit.

(b) Any error or omission involving the exercise of value judgment that arises solely from a failure to reflect a decline in the taxable value of real property, floating homes subject to taxation pursuant to Revenue and Taxation Code section 229, and manufactured homes subject to taxation under Part 13 (commencing with section 5800) of the Revenue and Taxation Code, as required by paragraph (2) of subdivision (a) of Revenue and Taxation Code section 51, shall be corrected within one year after the making of the assessment that is being corrected.

(c) . . . (unchanged).

(d) . . . (unchanged).

(e) . . . (unchanged).

(f) . . . (unchanged).

(g) The provisions of this rule do not apply to escape assessments caused by the assessee's failure to report the information required by Article 2 (commencing with ~~section~~Section 441) of Chapter 3 of Part 2 of Division 1 of the Revenue and Taxation Code, and roll corrections are not a prerequisite for escape assessments or base year value corrections.

(h) . . . (unchanged):

(1) . . . (unchanged).

(2) . . . (unchanged).

(i) . . . (unchanged):

(1) . . . (unchanged).

(2) . . . (unchanged).

Note: Authority cited: Section 15606, Government Code. Reference: Sections 4831, 4831.5, 4834, 4835, 4836, 4838 and 4840, Revenue and Taxation Code.